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PART I—Section 1

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MINISTRY OF HEAVY INDUSTRIES

RESOLUTION

TARIFFS

New Delhi, the 8th December 1956

No. 2(2)-T.B./55.—The Tariff Commission has submitted a Report on the grant of protection and/or assistance to the Isonicotinic Acid Hydrazide (Isoniazid) (INH) Industry. They have observed that the Isonicotinic Acid Hydrazide (INH) Industry is and will for some time to come be dependent on imported raw materials, for which the prices charged are disproportionately high. The Commission have not recommended that the industry should be protected by higher tariffs as they do not consider it desirable that the cost of a life-saving drug should be raised. They have, however, observed that the industry can apply for a review of its case if there is a decline in the price of gamma picoline in the future.

2. The Government of India have given their careful consideration to this recommendation. While they agree that the industry need not be protected by higher tariff, they are of the view that it deserves to be assisted in reducing its cost of production straightaway. For this purpose they have decided that the import duty on gamma picoline, which is an essential raw material for this Industry should be remitted in full in the case of imports of this item from preferential sources and reduced to 10% *ad valorem* for imports from non-preferential sources. Government are also exploring the possibility of developing alternative and cheaper sources of supply for gamma picoline.

3. Other recommendations made by the Commission are:—

- (a) The Drugs Controller, India, should make arrangements to test samples of INH made in the country by each of the licensed manufacturers (not only of the powder but also of the tablets) and take suitable steps to ensure strict adherence to BPC standards.
- (b) Effective steps should be taken to regulate the processing charges and overheads recovered by producers of INH tablets, or alternatively, Government should arrange to procure INH powder from the cheapest source and manufacture and distribute the tablets under its own control.

4. Government accept recommendation (a) in principle. The Drugs Controller, India, is being asked to make arrangements for testing samples of INH (powder and tablets) made in the country by licensed manufacturers and will also take suitable steps to ensure strict adherence to approved pharmacopoeias.

5. As regards recommendation (b) in paragraph 3, Government accept the first alternative recommended by the Commission and suitable steps will be taken in due course to regulate processing charges and overheads recovered by the producers of INH tablets.

6. The attention of the industry is also drawn to the Tariff Commission's suggestion that if the price of gamma picoline declines sufficiently to eliminate the present disparity between the prices of this raw material and the finished product, the industry may apply for a review of its case.

ORDER

Ordered that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

N. SUBRAHMANYAM, Jt. Secy.